

Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-09 ISO-00

CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 ERDA-05 AID-05 CEA-01

CIEP-01 COME-00 FPC-01 INT-05 OMB-01 SAM-01 OES-03

STR-04 TRSE-00 FRB-03 FEA-01 ERDE-00 USIE-00 INRE-00

NSCE-00 SSO-00 IO-10 /126 W
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O R 092032Z APR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 8325

AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KINSHASA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

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AMEMBASSY QUITO

AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
USMISSION NATO
USMISSION EC BRUSSELS
USMISSION USUN
USINT BAGHDAD

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 08977

E.O. 11652: GDS
TAGS: ENRG
SUBJECT: PRODUCER/CONSUMER PREPCON: THIRD DAY

1. MORNING SESSION PICKED UP DISCUSSION OF AGENDA
OF FULL CONFERENCE ON BASIS OF DRAFTS SUBMITTED BY
OPEC/LDC GROUPING AND EUROPEAN COMMUNITY.

2. NOT SURPRISINGLY, OPEC/LDC SPEAKERS CRITICIZED EC
DRAFT'S "OVER-EMPHASIS" ON ENERGY AND ALLEGED INSUFFI-
CIENT ATTENTION TO OTHER ASPECTS INCLUDING RAW MATERIALS
(SOME OF WHICH TERMED "LIFE AND DEATH" MATTERS FOR LDCS).
THEY URGED USE OF OPEC/LDC DRAFT AS POINT OF DEPARTURE
FOR AGENDA DEBATE.

3. U.S., EC AND JAPAN, SUPPORTED EC DRAFT AS BASIS FOR
FUTURE CONFERENCE. USDEL DEFENDED EC DRAFT AGENDA, BUT
POINTED OUT FUTILITY OF CONFRONTATION OVER DIVERGENT
IDEAS EXPRESSED IN THE TWO DRAFTS, RECOMMENDING INSTEAD
THAT AN EFFORT BE MADE TO FOCUS ON IDEAS, NAMELY THE
IMPORTANCE OF ENERGY, COMMON TO BOTH.

4. WHILE BOTH SIDES WERE FIRM IN DEFENSE OF RESPECTIVE
DRAFTS, WITH VENEZUELA EMPHASIZING "DISAPPOINTMENT" OVER
EC PROPOSAL AND ALGERIA TERMING IT "ENTIRELY UNACCEPT-
ABLE", DISCUSSION WAS EVEN-TEMPERED AND EVIDENCED SOME
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READINESS TO SEEK A NARROWING OF THE GAP BETWEEN THE TWO
POSITIONS.

5. COMMENT: INTERVENTIONS BY ALGERIA AND VENEZUELA
REVEALED THEIR PARTICULARLY STRONG COMMITMENT TO OPEC/LDC
DRAFT AS SUPPORTIVE OF THEIR POLITICAL STRATEGY AT
PREPCON. THIS STRATEGY SEEKS TO REPRESENT OPEC COUNTRIES
AS A GROUP OF LDC'S THAT SUCCEEDED IN RIGHTING AN

HISTORIC WRONG BY COMBINING TO SECURE AN OIL PRICE INCREASE. IF LDC'S MAINTAIN THEIR SOLIDARITY WITH OPEC, THE OPEC COUNTRIES WILL USE THEIR NEW FOUND INFLUENCE TO OBTAIN A (VAGUELY DEFINED) BETTER DEAL FOR THEM ON THE RAW MATERIALS THEY EXPORT TO THE DEVELOPED COUNTRIES AND SUPPORT THEIR DEMANDS FOR INCREASED ASSISTANCE FROM THE DEVELOPED COUNTRIES. FOR THEIR PART, LDC'S MUST NOT ATTACK HIGH PRICE OF THE OIL THEY IMPORT, SINCE THIS WOULD UNDERCUT CASE FOR UPWARD REVISION OF ALL OTHER RAW MATERIAL PRICES.

6. FOLLOWING THE "TOUR DE TABLE" RECOUNTED ABOVE, DE GUIRINGAUD, STATING THAT HE HAD RECEIVED SUGGESTIONS FROM SOME DELEGATIONS, PROPOSED THAT A "GROUPE DE CONTACT" (MORE INFORMAL THAN A WORKING GROUP AND NOT DESIGNED TO PRODUCE A PROPOSAL) BE CONSTITUTED ON THE BASIS OF TWO OR THREE REPRESENTATIVES FROM EACH DELEGATION. THE GROUP WOULD UNDERTAKE DISCUSSIONS OF THE AGENDA ISSUE.

7. AT THAT POINT ALGERIA INTERVENED TO SAY THAT IT COULD ONLY ACCEPT THE CHAIRMAN'S PROPOSAL ON THE UNDERSTANDING THAT OBSERVERS WOULD NOT BE PRESENT. RECOGNIZING THIS AS THE OPENING SHOT IN A CAMPAIGN LEADING TO THE EXCLUSION OF THE IEA FROM THE FULL CONFERENCE, USDEL IMMEDIATELY INTERVENED TO SAY U.S. SUPPORTED

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FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 8326
AMEMBASSY ABU DHABI
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C O N F I D E N T I A L SECTION 02 OF 02 PARIS 08977

PRESENCE OF UN, OECD AND IEA OBSERVERS TO ASSIST CONTACT
GROUP. THIS POSITION FIRMLY SUPPORTED BY JAPAN AND EC.
IRAN AND VENEZUELA SUPPORTED THE ALGERIAN POSITION.
WITH THE ATMOSPHERE IN THE ROOM TURNING SOMEWHAT CHILLY,

THE ALGERIAN DELEGATE THEN STATED THAT HE WISHED TO ADDRESS THE "REAL ISSUE," THE PRESENCE OF A "CONFRONTATIONAL ORGANIZATION" (THE IEA) AS AN OBSERVER AT THE PREPCON. ALGERIA'S POSITION WAS THAT THE FRENCH HAD NO RIGHT TO INVITE THE IEA AND SO FAR AS IT WAS CONCERNED IT WOULD CONSIDER THAT ONLY TWO OBSERVERS, THE UN AND OECD WERE PRESENT.

8. DE GUIRINGAUD RESPONDED THAT FRENCH GOVERNMENT OBVIOUSLY HAD THE RIGHT TO INVITE WHOMEVER IT PLEASED TO THE PREPCON. WITH ISSUE JOINED ON OBSERVERS, HE CONCLUDED THAT NO CONSENSUSEXISTED ON HIS "GROUPE DE CONTACT" PROPOSAL AND THAT PLENARY MEETING WOULD RECONVENE IN THE AFTERNOON. MORNING SESSION THEN ADJOURNED.

9. IEA GOVERNING BOARD MET AT 2:30 PM TO HEAR DAVIGNON'S REPORT ON MORNING SESSION. GB MEMBERS, WHO PLACE STRONG RELIANCE ON IEA PRESENCE AT PREPCON AND FULL CONFERENCE TO REPRESENT THEIR INTERESTS, FULLY CONFIDENTIAL

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SUPPORTED CONDUCT OF IE MEMBER DELS AT PREPCON IN DEFENDING IEA. GB REITERATED ITS POSITION, TAKEN YESTERDAY, THAT IEA MUST BE PRESENT AT FULL CONFERENCE.

10. AFTERNOON SESSION REPORTED SEPTTEL.
RUSH

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 09 APR 1975
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Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
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Handling Restrictions: n/a
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Review Authority: GolinoFR
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Review Content Flags:
Review Date: 08 APR 2003
Review Event:
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Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRODUCER/CONSUMER PREPCON: THIRD DAY
TAGS: ENRG, IEA, OPEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006